

from Minnesota (Mr. WALZ) each will control 20 minutes.

The Chair recognizes the gentleman from Tennessee.

GENERAL LEAVE

Mr. ROE of Tennessee. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. ROE of Tennessee. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in support of H.R. 2749, as amended, the Protecting Business Opportunities for Veterans Act of 2017.

H.R. 2749, as amended, is contracting reform legislation sponsored by my friends, General BERGMAN and Representative KUSTER, the chairman and ranking member of our Oversight and Investigations Subcommittee.

This bill will help stop companies that exploit the existing contracting laws and regulations to take work away from legitimate service-disabled veteran-owned small businesses and veteran-owned small businesses.

It is crucial that Federal procurement be fair and that veteran entrepreneurs actually receive the business opportunities that the law creates for them. This bill is a smart fix for a difficult problem, and I appreciate my colleagues' work on it.

Mr. Speaker, I urge all Members to support H.R. 2749, as amended, and I reserve the balance of my time.

Mr. WALZ. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 2749, as amended, the Protecting Business Opportunities for Veterans Act.

I thank General BERGMAN and Ms. KUSTER of New Hampshire for introducing this. The Subcommittee on Oversight and Investigations has worked hard to ensure that our service-disabled veteran-owned small businesses are provided the protections and support they need from the VA to remain competitive in the Federal contracting process.

Congress granted Federal Government contracting preferences to small businesses owned by veterans and service-disabled veterans because we want our veteran entrepreneurs to thrive.

This bill, introduced by Representatives BERGMAN and KUSTER, closes a loophole utilized by some that pass through contracts to non-veteran-owned businesses. This practice is unfair to the thousands of small-business owners who are actually serving and owned by service-disabled veterans who play by the rules.

The bill ensures that only our veteran entrepreneurs get this preference by closing the loophole. It is smart, it is the right thing to do, and I urge its passage.

Mr. Speaker, I reserve the balance of my time.

Mr. ROE of Tennessee. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan (Mr. BERGMAN), a new member of our committee and chairman of the Subcommittee on Oversight and Investigations.

Mr. BERGMAN. Mr. Speaker, I rise to speak today on behalf of H.R. 2749, the Protecting Business Opportunities for Veterans Act of 2017. I thank the chairman and the ranking member for their support for Ranking Member KUSTER and myself.

Mr. Speaker, H.R. 2749 aims to provide the VA with the tools it needs to correct the persistent problem in contracting. The problem is improper pass-throughs. An improper pass-through is when a small business obtains a contract under a set-aside, but gives all or substantially all of the work to a large company and, nonetheless, collects profit.

Sometimes multiple companies pass through the work while adding price markups. This has long been prohibited by law and wastes taxpayer dollars; but, in practice, agencies have little ability to stop it.

In the VA, veteran-owned and service-disabled veteran-owned small businesses have special preference to receive contracts, but bad actors are taking contracts away from law-abiding veteran businessowners who truly want to perform their work. The committee gets complaints about this situation nearly every week.

This bill will make every bidder for a VA contract certify that it will perform the percentage of work the law already requires. The bill also directs the VA to work with the Office of Inspector General in a more effective way to find, stop, and, where appropriate, punish the improper pass-throughs.

H.R. 2749 relies on existing law and fills in gaps in implementation, but does not create any new bureaucracy.

The solution is long overdue. I strongly urge my colleagues to support the bill.

Mr. WALZ. Mr. Speaker, I urge passage of this good piece of legislation that is doing the right thing, and I yield back the balance of my time.

Mr. ROE of Tennessee. Mr. Speaker, I urge all Members to support H.R. 2749, as amended, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. RICE of South Carolina). The question is on the motion offered by the gentleman from Tennessee (Mr. ROE) that the House suspend the rules and pass the bill, H.R. 2749, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Mr. WALZ. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further pro-

ceedings on this question will be postponed.

The point of no quorum is considered withdrawn.

ENSURING VETERAN ENTERPRISE PARTICIPATION IN STRATEGIC SOURCING ACT

Mr. ROE of Tennessee. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2781) to direct the Secretary of Veterans Affairs to certify the sufficient participation of small business concerns owned and controlled and owned by veterans and small business concerns owned by veterans with service-connected disabilities in contracts under the Federal Strategic Sourcing Initiative, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 2781

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Ensuring Veteran Enterprise Participation in Strategic Sourcing Act".

SEC. 2. SECRETARY OF VETERANS AFFAIRS CERTIFICATION OF SUFFICIENT PARTICIPATION OF SMALL BUSINESS CONCERNS OWNED AND CONTROLLED BY VETERANS AND SMALL BUSINESS CONCERNS OWNED BY VETERANS WITH SERVICE-CONNECTED DISABILITIES IN CONTRACTS UNDER THE FEDERAL STRATEGIC SOURCING INITIATIVE.

(a) **CERTIFICATION REQUIRED.**—Not later than 180 days after the date of the enactment of this Act, the Secretary of Veterans Affairs shall submit to the Committees on Veterans' Affairs of the House of Representatives and the Senate certification in writing that with respect to each contract (except for domestic delivery services) awarded under the Federal Strategic Sourcing Initiative (managed by the Office of Federal Procurement Policy) a sufficient number of small business concerns owned and controlled by veterans and a sufficient number of small business concerns owned and controlled by veterans with service-connected disabilities are represented within each category.

(b) **INSUFFICIENT REPRESENTATION.**—If the Secretary determines that the representation by small business concerns owned and controlled by veterans or small business concerns owned and controlled by veterans with service-connected disabilities within a category of the contracts awarded under such Federal Strategic Sourcing Initiative is not a sufficient number, the Secretary shall—

(1) consult with the Administrator of the General Services Administration to increase the number of such concerns awarded contracts under such category; or

(2) require the Department of Veterans Affairs to stop awarding orders under that category of the Initiative, effective on the date of such determination.

(c) **DEFINITIONS.**—In this section:

(1) The terms "small business concern owned and controlled by veterans" and "small business concern owned and controlled by veterans with service-connected disabilities" have the meaning given such terms in section 8127(k) of title 38, United States Code.

(2) The term "category" means—

(A) a type of supply or service for which a suite of contracts has been established under the Federal Strategic Sourcing Initiative; or

(B) any further subdivision or grouping within such a suite of contracts.

(3) The term "sufficient number", with respect to a type of business concern, means not fewer than two and enough to maximize the percentage of orders entered into by the Secretary with such business concerns, as determined by the Secretary.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Tennessee (Mr. ROE) and the gentleman from Minnesota (Mr. WALZ) each will control 20 minutes.

The Chair recognizes the gentleman from Tennessee.

GENERAL LEAVE

Mr. ROE of Tennessee. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

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Mr. ROE of Tennessee. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in support of H.R. 2781, as amended, the Ensuring Veteran Enterprise Participation in Strategic Sourcing Act.

H.R. 2781 is another piece of thoughtful contracting legislation sponsored by a hardworking member of the Veterans' Affairs Committee, Dr. NEAL DUNN. This bill will make sure that all small businesses owned by veterans and service-disabled veterans are never excluded from a particular group of contracts run by the General Services Administration, or GSA.

Despite Congress' efforts to give our veterans maximum opportunity in VA contracting, the system does not always work as it should. This bill fixes a loophole that has cropped up recently and makes sure veteran businesses are not inadvertently ignored when VA uses these GSA contracts.

Mr. Speaker, I urge all of my colleagues to join me in supporting H.R. 2781, as amended.

Mr. Speaker, I reserve the balance of my time.

Mr. WALZ. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 2781. As said, the bill would require the VA Secretary and the General Services Administration to increase the number of veteran-owned small businesses and service-disabled veteran-owned small businesses on the Federal Strategic Sourcing Initiative. The Federal Strategic Sourcing Initiative increases cost savings, value, and socioeconomic participation for the sourcing of government contracts and ensures that our government has a community of businesses to strategically source from.

Ensuring more veteran-owned small business and service-disabled veteran-owned small businesses are on the Federal Strategic Sourcing Initiative means that taxpayer dollars are spent on contracts that add value to the U.S.

Government, at the same time supporting veteran-owned businesses—smart legislation, again, the right thing to do.

Mr. Speaker, I urge my colleagues to support this piece of legislation, and I reserve the balance of my time.

Mr. ROE of Tennessee. Mr. Speaker, I yield 3 minutes to the gentleman from Florida (Mr. DUNN), a veteran and the author of the bill.

Mr. DUNN. Mr. Speaker, H.R. 2781 is a commonsense solution to a complicated problem. I am proud to sponsor it with my good friend, the gentleman from California (Mr. PANETTA).

Over the last 10 years, Congress gave veteran and veteran service-disabled veteran-owned small businesses the highest preference to compete for VA contracts. Last year, the Supreme Court ruled in the Kingdomware case that this preference applies in all situations, even when VA uses contracts awarded by other agencies. A loophole has emerged in a group of contracts called the Federal Strategic Sourcing Initiative run by the General Services Administration.

Currently, the VA uses the GSA to connect them with suppliers of certain goods and services that they need to purchase. All too often, the GSA is not connecting the VA with enough small businesses that are owned by veterans and service-disabled veterans. The law requires that the VA look for these companies and buy from them when it can, if they are competitive; but when the veteran businesses are not on the GSA list, the VA can't find them or use them.

Because of the loophole, well-qualified veteran-owned companies are being passed over. In some cases, VA disregards the GSA contracts and finds veteran-owned companies elsewhere on their own, but this wastes resources by creating contracts similar to what the GSA already has in place.

This bill simply directs the VA Secretary to determine whether veteran-owned and service-disabled veteran-owned small businesses are sufficiently represented on the contracts for VA to follow the law. If not, the VA must consult with the GSA to increase the representation on all the contracts and their subcategories. Should this not be possible on a particular contract or subcategory, the VA must stop using it.

I am honored that this bill has earned the support of the American Legion, the Veterans of Foreign Wars, and the National Veteran Small Business Coalition. We need to hold the VA accountable to the veterans it serves, including our veteran and service-disabled small business owners. It is the right thing to do, and I urge all Members to support it.

Mr. WALZ. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. PANETTA), one of the co-authors of this bill and a veteran himself and a champion of veterans since he has been in Congress.

Mr. PANETTA. Mr. Speaker, I rise today in support of H.R. 2781, the Ensuring Veteran Enterprise Participation in Strategic Sourcing Act.

It is a bill that the kind gentleman from Florida and I have sponsored so that it is easier for the Department of Veterans Affairs to contract with the very veterans whom they serve.

As a veteran and someone who has worked with veterans, I understand the challenges our servicemembers can face when they transition from military to civilian life. That is why we in Congress are working to serve those who served us by opening every opportunity for our veterans to thrive and contribute not just to our communities, but to our country.

Throughout the United States, there are many quality veteran and service-disabled veteran-owned small businesses that sell office and janitorial supplies or provide building maintenance services. Those businesses and the government would mutually benefit if the businesses seeking Federal contracts were given a fair chance to compete.

But as it stands now, veteran and service-disabled veteran-owned small businesses are losing out on such opportunities because of an unintentional loophole when the VA contracts with the General Services Administration, the GSA, for office and janitorial services, equipment, and supplies.

Now, that loophole opened up last year when the VA implemented the Kingdomware Supreme Court ruling. Normally, when it comes to its contracts, the VA ensures that veteran-owned small businesses are considered in the bidding process. But the Kingdomware ruling required that the VA set aside contracts for veteran-owned small businesses when there are two or more companies that are interested, capable, and can perform at a fair and reasonable price. So when the VA contracts with the GSA for janitorial or office supplies, the GSA is not giving veteran-owned businesses the proper consideration for those types of contracts; thus, the requirement to consider veteran-owned businesses is not being implemented.

Fortunately, this bill, our bill, Democrats' and Republicans' bill, would close that loophole. It would require the VA Secretary to work with the GSA to increase the number of service-disabled veteran and veteran-owned small businesses represented in that contracting process.

The bill would eliminate that barrier that limited our veterans and their businesses from contracting with the government. It is a solution that is fair to veteran entrepreneurs. It is a bill that has strong bipartisan support. It is a bill that moved through the House Veterans' Affairs Committee with unanimous consent, and it is a bill that all of us are proud of, Democrats and Republicans, and that is why I am proud to sponsor this bill. I am proud to present it to you with the gentleman from Florida because it will do

what is smart for our country's veterans, and that is why I encourage my colleagues to support this bill.

Mr. ROE of Tennessee. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. BOST), the subcommittee chair on the committee and a marine veteran.

Mr. BOST. Mr. Speaker, I rise today in support of H.R. 2781, the Ensuring Veteran Enterprise Participation in Strategic Sourcing Act.

This important legislation clarifies that veteran-owned small businesses should be given proper consideration for contracts with the Department of Veterans Affairs. It will help to ensure that our contracting is efficient and fair to our Nation's veterans.

The VA has a special responsibility to maximize business opportunities for our heroes when they come home from serving abroad. Helping veteran-owned small businesses succeed is a bipartisan effort, as you have heard already here today. I am happy to see so many of my colleagues support it.

I want to thank my colleague, Dr. DUNN, for offering the commonsense fix to contracting at the VA, and I look forward to voting in favor of it. I urge Members to support H.R. 2781.

Mr. WALZ. Mr. Speaker, I have no further speakers. Again, I urge my colleagues to support H.R. 2781.

Mr. Speaker, I yield back the balance of my time.

Mr. ROE of Tennessee. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan (Mr. BERGMAN), the Oversight and Investigations Subcommittee chair and a marine who served with distinction.

Mr. BERGMAN. Mr. Speaker, I am proud to join Dr. DUNN and Mr. PANNETTA in supporting H.R. 2781, the Ensuring Veteran Enterprise Participation in Strategic Sourcing Act. This bill and my bill are complementary legislation.

In addition to the vital healthcare and benefits VA provides to our veterans, it also awards billions of dollars of contracts annually to their small businesses. The impact of these contracts to support livelihoods and create jobs all over our country cannot be overstated.

Just as veteran businessowners must abide by the rules, VA must abide by the rules and make available to them the contracting opportunities they have earned. Federal procurement is a very complicated system that sometimes produces strange outcomes. We must continue to work on that procurement and make sure that it functions properly.

I strongly urge all my colleagues to support H.R. 2781.

Mr. ROE of Tennessee. Mr. Speaker, I yield myself the balance of my time.

In closing, I would certainly urge everyone to support this actionable piece of legislation.

During the last 6½ months, the Veterans' Affairs Committee has been a very active committee. When we real-

ized that our Choice Program was running short of funds, the committee, in a bipartisan way, voted to extend that.

We have also realized that there are 470,000 veterans whose claims are in appeals and have not been adjudicated. We realize that program is not functioning as it should. The House acted quickly, was bipartisan. That legislation has now been passed out of the Senate VA Committee and is awaiting action by the floor. We hope to have it passed and signed into law soon.

We knew that the Secretary of the VA said he had problems, that he couldn't—most VA employees are terrific. Some of my best friends work at the VA. But there are some not good employees out of the 370,000 there, and the Secretary said, to do his job, to reform the VA, he needed a bill where he could terminate poor-performing employees, and this House and Senate gave him that. The President has signed that into law.

The Secretary has also moved in speeding up the electronic health record transformation into a modern off-the-shelf system. We debated on this floor, today, the Post-9/11 GI Bill update, which is a tremendous benefit for veterans, and decades from now we will look back on this debate we had on the floor, I think, with some admiration as I do. It has been a true privilege and pleasure to be on this committee and to work with my colleagues on the other side of the aisle to take care of these important issues this committee has produced. It will make this promise to our veterans of this country; it will continue to produce results for them.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Tennessee (Mr. ROE) that the House suspend the rules and pass the bill, H.R. 2781, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Mr. WALZ. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this question will be postponed.

The point of no quorum is considered withdrawn.

SMALL BUSINESS INVESTMENT OPPORTUNITY ACT OF 2017

Mr. CHABOT. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2333) to amend the Small Business Investment Act of 1958 to increase the amount of leverage made available to small business investment companies, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 2333

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Small Business Investment Opportunity Act of 2017".

SEC. 2. INDIVIDUAL SBIC LEVERAGE LIMIT INCREASE.

Section 303(b)(2)(A)(ii) of the Small Business Investment Act of 1958 (15 U.S.C. 683(b)(2)(A)(ii)) is amended by striking "\$150,000,000" and inserting "\$175,000,000".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Ohio (Mr. CHABOT) and the gentleman from California (Ms. JUDY CHU) each will control 20 minutes.

The Chair recognizes the gentleman from Ohio.

Mr. CHABOT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as chairman of the House Small Business Committee, a day does not go by without me hearing from our Nation's job creators. From inspiring accounts that are driven by their work ethic to stories of sacrifice all in the name of growing their company, the Nation's small businesses are the true lifeblood of the American economy.

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With over 29 million small businesses operating in the United States, they are responsible for two out of every three new jobs created in this country. However, their full potential is being held back by heavy-handed regulations and uncertainty. Unfortunately, their inability to access capital continues to prevent job creation and expansion.

As a way to increase access to capital, the Small Business Administration jump-starts and enhances the flow of venture and private equity capital through the Small Business Investment Company program, also known as the SBIC program.

Created in the 1958 Small Business Investment Act, the program utilizes a privately owned and SBA licensed model to increase access to capital. With over 300 SBICs operating in the country and more than \$24 billion of capital under management, the program in fiscal year 2015 invested more than \$5.4 billion in approximately 1,000 small businesses.

In 2015, I introduced a SBIC bill that focused on increasing the family of funds limit.

Similar to my 2015 legislation that was signed into law, the bill we have before us today concentrates on the individual leverage limit. Currently set at \$150 million, the individual limit determines how much capital can be deployed by a SBIC that has only one fund under management. To better utilize this program and allow an increase in capital to small businesses, H.R. 2333—the bill that we are considering here this afternoon—increases the individual leverage limit to \$175 million.

I want to thank the gentleman from California (Mr. KNIGHT), the chairman of our Subcommittee on Contracting